

# SEB Nordic Seminar Jan 11, 2022

Alberto Zanata, CEO

Fabio Zarpellon, CFO

# Electrolux Professional snapshot\*



Net sales SEK  
**7.5 bn**

EBITA SEK  
**0.6 bn**

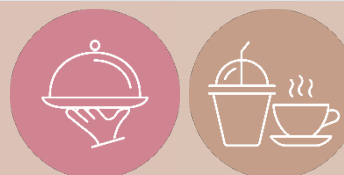
EBITA margin  
**7.6%**

Employing  
**~3,500**

Serving  
**~110**  
countries

## Net sales by segment

**58%**  
Food & Beverage



**42%**  
Laundry



**6.1%**  
EBITA margin

**15.6%**  
EBITA margin

## Net sales by geography

**~70%**  
Europe



**~16%**  
APAC & MEA



**~14%**  
Americas



\* Rolling 12 months, September 30, 2021



# Positioned for profitable growth in an attractive industry

**Strong position  
in attractive  
markets**



**Well positioned to  
meet customer needs**

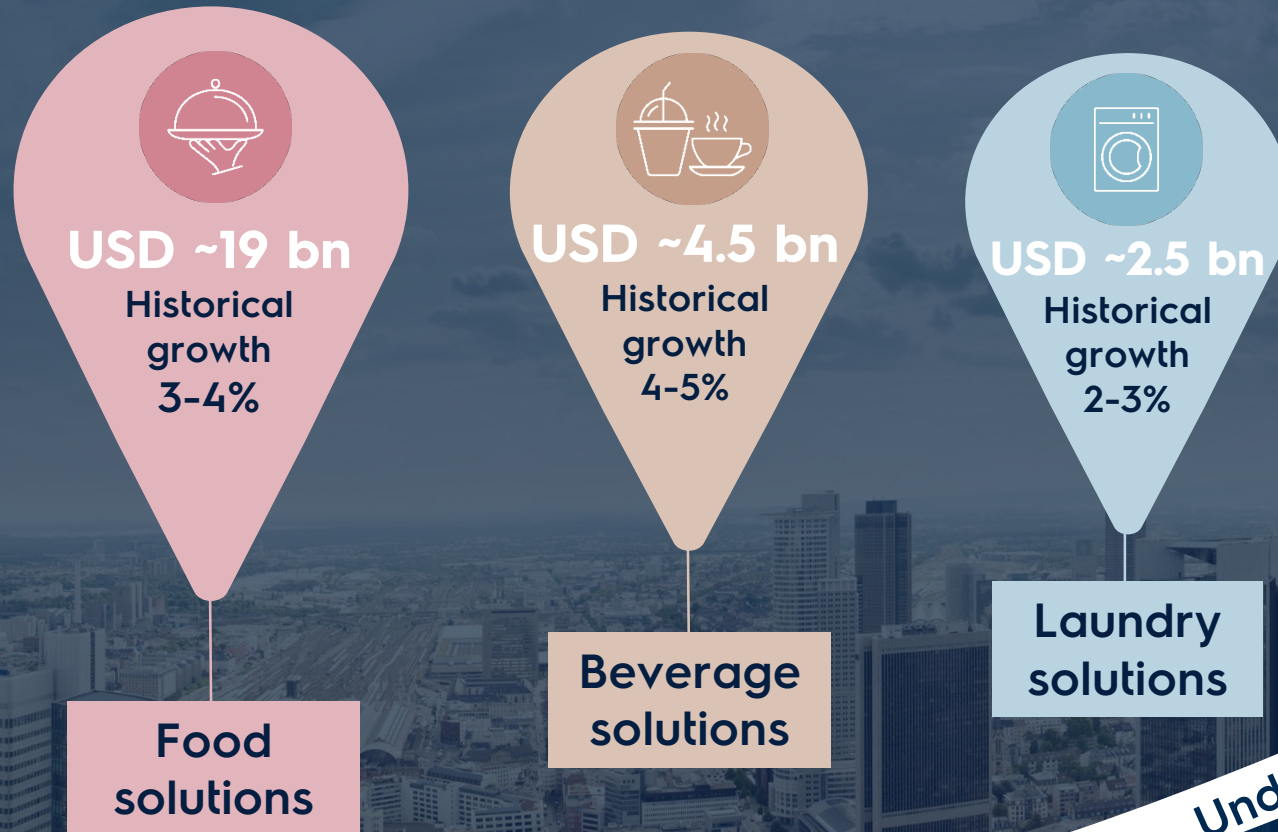


**Solid financial  
profile with further  
upside**





# A resilient market driven by long term positive trends despite 2020-2021 crisis



Source: Company estimates for 2021.

- Global market decline of ~ 26% in 2020

Underlying trends

- Post-pandemic new normal
- Population growth
- Increasing workforce participation
- Climate change and resource shortage
- Urbanization
- Digitalization
- Growing disposable household income



# We want to address complexity by becoming the OnE reference partner for our customers



- **One main brand** covering Food, Beverage and Laundry
- **Broad customer base in an attractive market** with leading position in the resilient laundry business
- **Attractive financial profile** with a solid track record
- **The OnE approach** enhanced by the digital transformation of our customers' operations

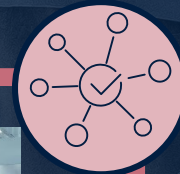
The **OnE**



# Strategic cornerstones



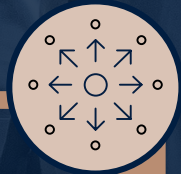
Grow the business through developing sustainable, low running cost solutions



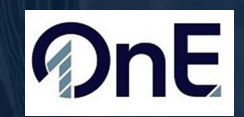
Expand in food service chains, especially in North America, beverage and emerging markets



Boost customer care



Leverage the OnE approach and drive digital transformation



**Built on a foundation of operational excellence to improve sales productivity and cost efficiency within the supply chain**





# Target to become climate neutral by 2030



Strategic cornerstones - GROW

## • Sustainable solutions

Grow the business by developing sustainable, innovative low-running cost solutions

## • Sustainable operations

Operational excellence and Electrolux Professional Production System drives sustainability performance

## • Ethics and relationship

Ethical practices enabling business by providing trust

## Targets

- **CO2 reduction aligned with Paris agreement**

Scope 1&2  
**-50%**  
2025

- **Lost time injury rate**

LTI rate  
**<0,3**  
2025

- **Diversity & inclusion**

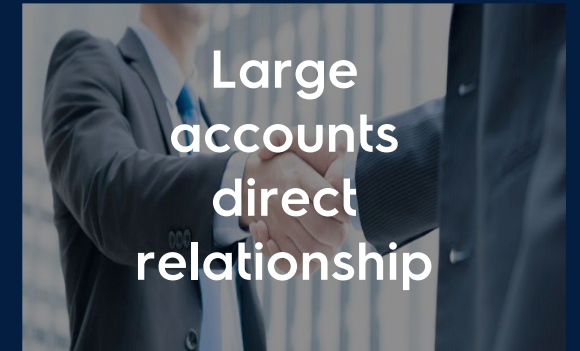
Gender balance  
**40/60**  
2030

## Outcome 2020

- 3.1 kton (CO2e), which is -36%
- Lost time injury rate was 1.1
- The percentage of women in all managerial positions was 26% in 2020



# Digital is shaping the Professional industry



## Our digital vision 2024

The **OnE**

Connected appliance of future installed base

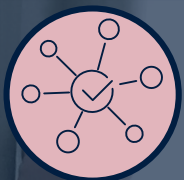
**50%**

OnE Connected

Distribution - on line sales

**65%**





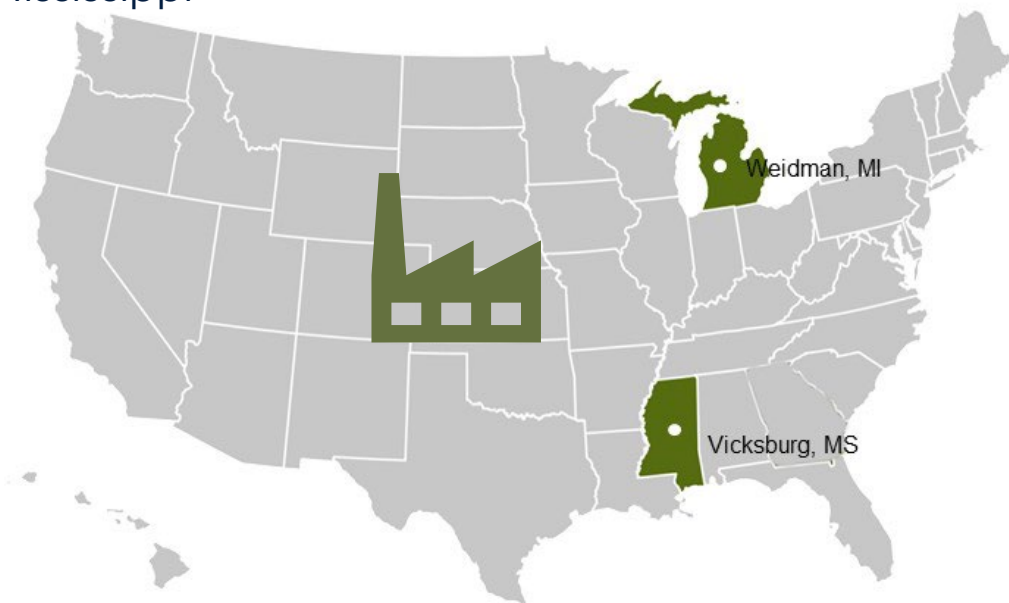
# The Acquisition of Unified brands



Strategic cornerstones - CHAINS

## unified brands®

- Founded in 1907 in Chicago, IL
- Two manufacturing facilities in Michigan and Mississippi



▶ Primary Cooking



▶ Refrigeration & Custom Fabrication



▶ Ventilation



▶ Meal Delivery



▶ Continuous Motion Ware-washing



▶ Cook-Chill & Sous Vide





# Building blocks to reach 15% EBITA margin in place

## Operational Excellence

Continuously reduce operational costs through rationalization and digitalization of operations

## Develop Customer Care

Increase the Customer Care business through sales of PA&C and service contracts

## Chain Business

Grow sales in the Chain Segment

## Innovative Products and OnE offer

New products to the market with competitive advantages and higher than average margin



Plan in place – delivering 15% EBITA margin

2020





**Electrolux**  
PROFESSIONAL

# Financial

Fabio Zarpellon, CFO

# Medium-term financial targets to drive shareholder value are confirmed



## Net sales growth

Organic annual growth of more than 4% over time, complemented by accretive acquisitions



## Profitability

15% EBITA margin



## Assets efficiency

Operating working capital <15% of net sales



## Capital structure

Leverage ratio below 2.5x Net debt/EBITDA<sup>(1)</sup>



## Dividend policy

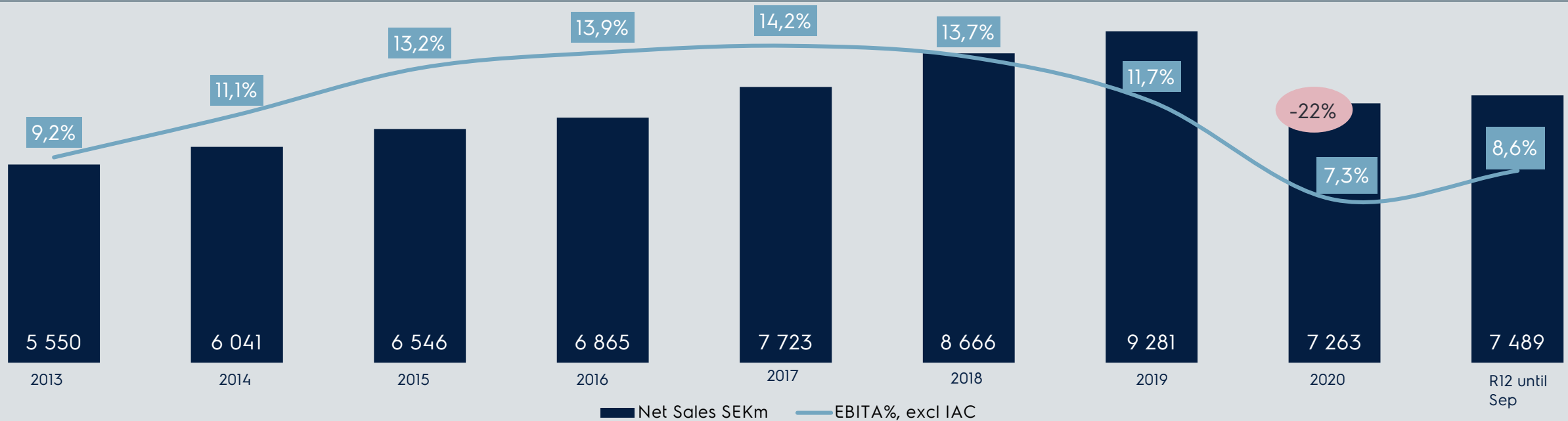
Pay-out ratio of c. 30% of net income for the year<sup>(2)</sup>

**Note:**

1. Higher levels may be temporarily acceptable in case of acquisitions, provided a clear path to deleveraging
2. As proposed annually by the Board of Directors at its discretion, to correspond to c.30 % of the income for the year, out of funds legally available for that purpose. The Company aims to use capital efficiently to generate as much shareholder value as possible, including potential acquisitions. The timing, declaration and amount of future dividends will depend on the Company's financial condition, earnings, capital requirements and debt service obligations.



# Net sales and profitability development



2013-2016 figures from Electrolux Annual Report

- Track record of growth and profitability improvement (2013-2018)
- 2019 EBITA impacted by separation from Electrolux and 2020-2021 impacted by pandemic

# 2020 and first part of 2021 impacted by the pandemic but is now recovering

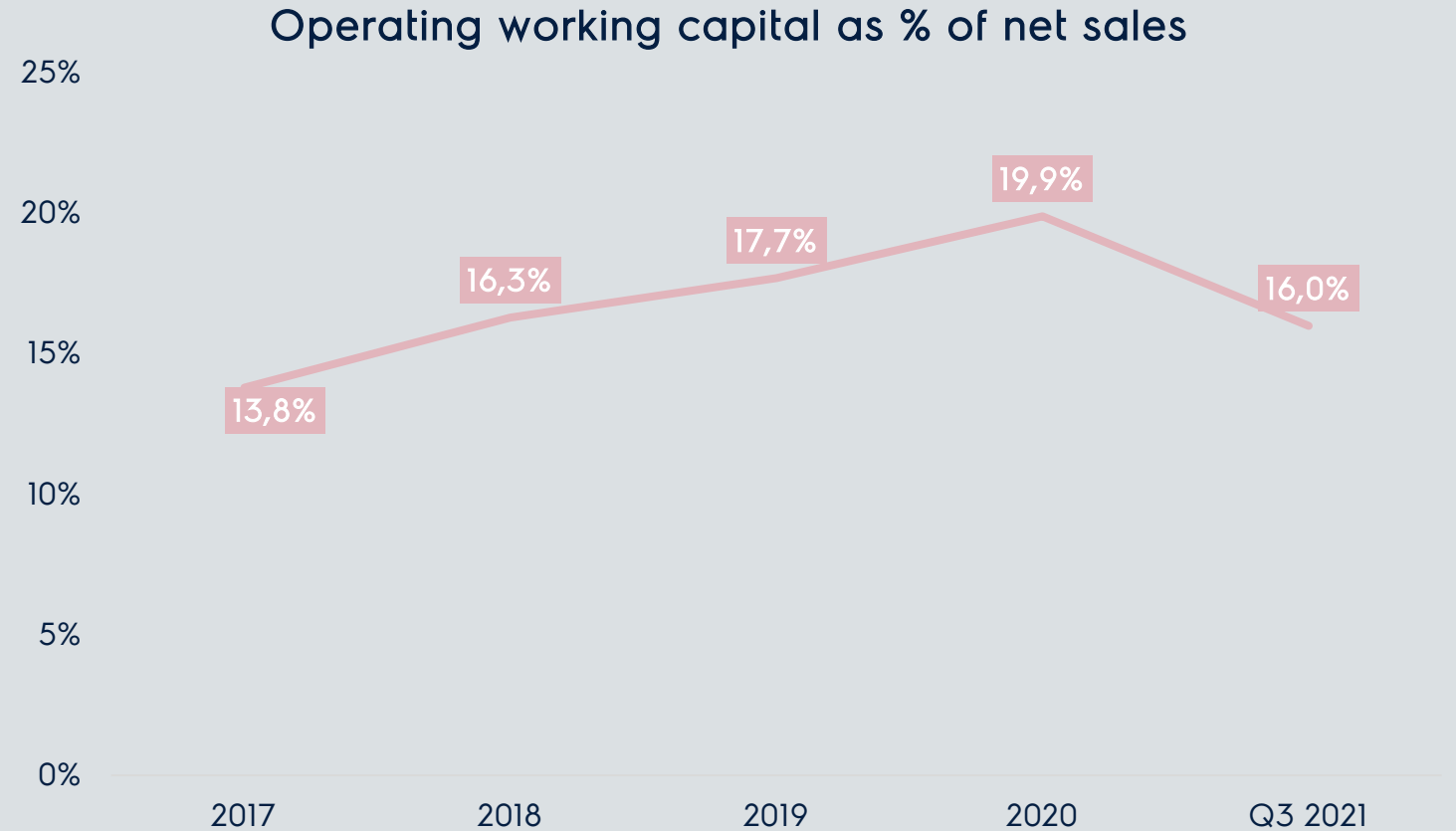
- From March 2021 continued and broadened market recovery
- Strong sales improvement in Q2 and Q3 2021 with EBITA of just above 10%
- Sales in Q2 and Q3 still below 2019 level, but difference diminishing
- Business recovery from Q3 continues in to Q4





# Limited Operating Working Capital requirements

- Business managed with low OWC
- 2018-2019 burdened by acquisitions and large product phase in/out
- Since Q4 2020 the OWC weight on sales improved; AR is back to pre-Covid levels

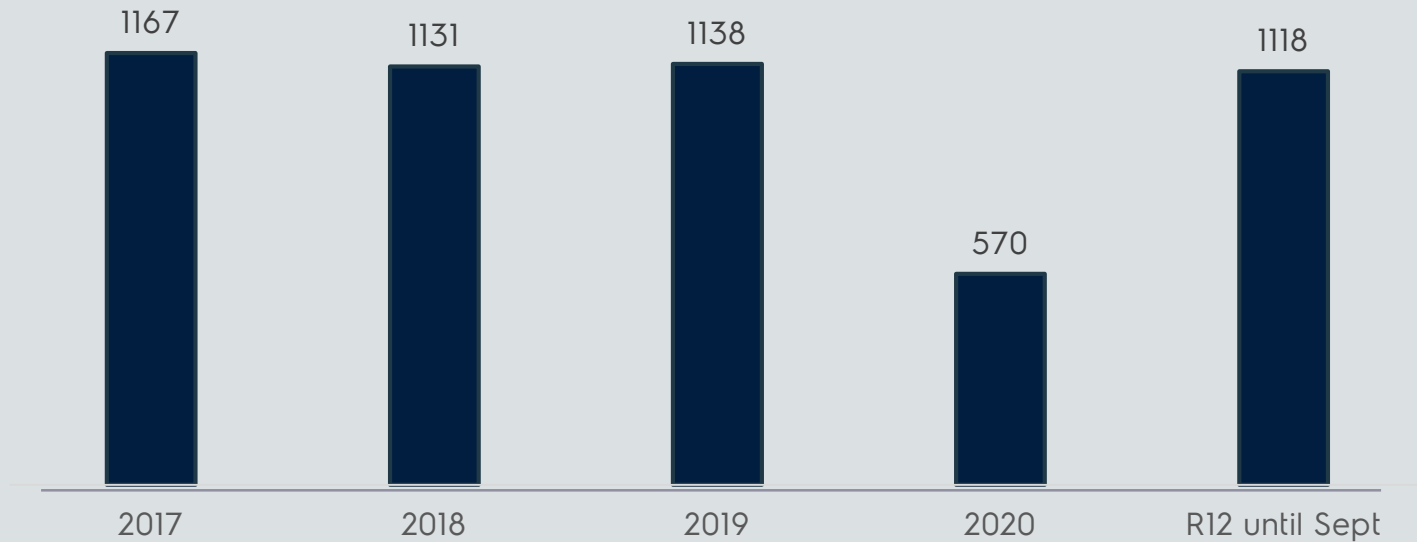


# Good cash flow while investments have continued



## Operating cash flow after investments<sup>(1)</sup>

SEKm



- Proven good cash flow generation over the years

1. Cash flow defined as cash flow from operations and investments adjusted for financial items paid, taxes paid and acquisitions/divestments of operations



# Key take aways

Track record of delivering solid EBITA and cash flow also in difficult times



Restarted the profitable growth journey



Attractive business with strong profitability



Focused plan to generate margin expansion





**Electrolux**  
P R O F E S S I O N A L